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| Iota Gamma Directory Conversion  [This Photo](https://whatisprojectmanagement.wordpress.com/) is licensed under [CC BY-NC-ND](https://creativecommons.org/licenses/by-nc-nd/3.0/) | Procurement Management  Working Group 4  Peter Palmisano, Instructor  November 26, 2017 |

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# Introduction

This procurement management plan sets the procurement framework for the Iota Gamma Directory Conversion (IGDC) project. It will serve as a guide for managing the specific procurement items for this project and will be updated as acquisition needs change. This plan identifies and defines the items to be procured, the types of contracts to be used, the contract approval process, and the vendor evaluation criteria. The importance of coordinating procurement activities, establishing firm contract deliverables, and metrics in measuring procurement activities is included. Other items included in the procurement management plan include: procurement risk management considerations; how costs will be determined; what standard procurement documentation will be used; and, procurement constraints.

# Procurement Management Approach

The project manager (PM) will provide oversight and management for all procurement activities under this project. She will collaborate with the project team, Working Group 4, (WG4) to identify all items to be procured for the successful completion of the project, evaluate the best providers for these items, and recommend a procurement list. The project sponsor(s) (PS) will then review the procurement list and evaluations prior to managing the purchase.

# Procurement Definition

The two identified procurement items are a web hosting service and a domain name. The domain name is not needed until the website is to be published on April 6, 2018. However, domain names come as a free addition to purchasing a web hosting service. The service is needed by February 16, 2018, when the business data will be incorporated and tested. Only the PS is authorized to approve purchases for the project.

# Standardized Procurement Documentation

The procurement management process consists of many steps as well as ongoing management of all procurement activities and contracts. In this dynamic and sensitive environment, our goal must be to simplify procurement management by all necessary means in order to facilitate successful completion of our contracts and project. To aid in simplifying these tasks, we will use standard documentation for all steps of the procurement management process. They provide adequate levels of detail which allows for easier comparison of proposals, more accurate pricing, more detailed responses, and more effective management of contracts and vendors.

The PM will provide templates for the standard documents to be used for project procurement activities:

* Selection evaluation forms
* Non-disclosure agreement
* Procurement audit form
* Lessons learned form

# Cost Determination

For this project, we will use the standard pricing for quoted packages. Any vendor that does not have published prices will not be considered. All quotes will include an initial cost and those associated with the continuation or cancellation of the vendor’s products and services.

# Vendor Evaluation

The criteria for the selection and award of procurement contracts under this project will be based on the following decision criteria:

* Database management software
* Developer Options
  + Languages (HTML, CSS, and JQuery/PhP)
  + Website Creator
  + Security
  + Storage Size
* Suitability for future management by non-technical personnel
* Cost
* Performance Reviews

These criteria will be weighted in collaboration with the PS, an Iota Gamma chapter tech (CT) - whose related project procurement must align with this plan, and the PM. WG4 will evaluate the different vendor options. The ultimate decision will be made by the PS based on WG4 evaluation as well as available resources.

# Procurement Risk Management

Procurement activities entail authority by and communication with the project sponsor. Given past difficulties in getting correct or timely information from the project sponsor, several risks must be considered:

* Timely procurement
* Conflicts with current contracts and vendor relationships

These risks are not all-inclusive and the standard risk management process of identifying, documenting, analyzing, mitigating, and managing risks will be used. However, for risks related specifically to procurement, there must be additional consideration and involvement. Project procurement efforts involve external organizations, potentially affect current and future business relationships, and require internal management and funding. Because of this intricacy, procurement will include the project sponsor and a CT from other related organizational responsibilities. Additionally, any decisions regarding procurement actions must be approved by the PS. Any issues concerning procurement actions or any newly identified risks will immediately be communicated to the PM, and updates to the project will be made according to official change requests.

# Procurement Constraints

There are several constraints that must be considered as part of the project’s procurement management plan. These constraints will be communicated to the PS and CT in order to determine their ability to operate within these constraints. These constraints apply to several areas which include schedule, cost, scope, resources, and technology.

## Schedule

Project schedule is not flexible and the procurement activities, contract administration, and contract fulfillment must be completed within the established project schedule.

## Cost

Currently, the project budget has no contingency or management reserves built in; the sponsor has strict constraints as well. If the sponsor is not able to approve the budget, this project will proceed as a prototype.

## Scope

All procurement activities and contract awards must support the approved project scope statement. Any procurement activities or contract awards which specify work which is not in direct support of the project’s scope statement will be considered out of scope and requires special attention, and/or rejection, from the PM.

## Resources

All procurement activities must be performed and managed with current personnel. The CT and PS will provide support, but no additional personnel will be hired or re-allocated to support the procurement activities on this project.

## Technology

Parts specifications has been established within this procurement management plan. While stakeholders may suggest alternative or additional specifications, these must correspond to the criteria laid out in this plan.

# **Contract Type**

The most appropriate procurement contract for all items is a firm-fixed price contract. The domain name and web hosting services will be paid up-front. The contracts may be monthly or yearly, but it is recommended that the service be paid for yearly.

# Vendor Management

The PM is ultimately responsible for the initial management of vendors. In order to ensure the timely delivery and high quality of products from vendors, the PM will meet as necessary with the PS, the CT, and WG4 to discuss the progress for each procured item. The meetings can be in-person or virtual. The purpose of these meetings will be to review all documented specifications for each product as well as to review the quality test findings. This forum will provide an opportunity to review each item’s development or the service provided in order to ensure it complies with the requirements established in the project specifications. It also serves as an opportunity to ask questions or modify contracts or requirements ahead of time in order to prevent delays in delivery and schedule. The PM will be responsible for scheduling these meetings until all items are delivered and are determined to be acceptable.

# Performance Metrics for Procurement Activities

The following metrics are established for vendor performance for this project’s procurement activities. Each metric is rated on a 1-3 scale as indicated below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vendor** | **Product Rating** | **Ability to support database development** | **Non-tech user friendliness** | **Initial Costs** | **Annual Cost** |
| Vendor #1 |  |  |  |  |  |
| Vendor #2 |  |  |  |  |  |

1 – Unsatisfactory

2 – Acceptable

3 - Exceptional

In addition to rating each vendor, actual values will be noted in case IG wants to change providers in the future.

# Contract Approval Process

The first step in the contract approval process is to identify the different vendors that provide the necessary procurement items. This can be done by general research. Next, quotes must be gathered and documented. Then, each vendor must be evaluated by WG4 per the criteria established in this procurement management plan. The PM will give the evaluations to the PS, who will then make the final decision on which vendor to procure. The vendor will then be contracted. This contract will be documented by the vendor’s receipt.

# **Sponsor Acceptance**

Approved by the Project Sponsor:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Shelly Worrell  
Project Sponsor

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_